

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 6916**

**BILL NUMBER:** HB 1998

**DATE PREPARED:** Jan 13, 2001

**BILL AMENDED:**

**SUBJECT:** Handguns.

**FISCAL ANALYST:** David Hoppmann

**PHONE NUMBER:** 232-9559

**FUNDS AFFECTED:** ☒ **GENERAL**  
☒ **DEDICATED**  
**FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** *Handgun Safety-* This bill requires a person who applies for a license to carry a handgun to provide evidence that the person has successfully completed a handgun safety course conducted under standards established by the Superintendent of the State Police Department.

*Waiting Period-* It specifies that a person who sells, rents, trades, or transfers a handgun to another person at a gun show is considered a dealer for purposes of the law concerning sale of handguns. It requires a handgun dealer to wait seven business days after obtaining background information from a prospective handgun purchaser before selling, renting, trading, or transferring a handgun to the purchaser.

*Handgun Limit-* It prohibits a person from purchasing or otherwise obtaining more than two handguns during a calendar month.

**Effective Date:** July 1, 2001.

**Explanation of State Expenditures:** *Handgun Safety-* The State Police Department (State Police) could incur minimal administrative time and cost associated with establishing a handgun safety standards policy. Funding for the Indiana State Police originates from the state General Fund and the Motor Vehicle Highway Fund.

*Waiting Period-* The State Police would incur an indeterminable savings regarding the elimination of instant criminal history checks for individuals who purchase handguns. In accordance with this bill, the State Police would have seven days to conduct such criminal history checks instead of the current twenty-four hours.

**Explanation of State Revenues:** *Handgun Safety-* Some loss in revenue may occur regarding State fees charged for handgun licenses. The State Police currently charges a fee of \$5 for qualified and \$15 for unlimited handgun licenses (almost all licenses issued are unlimited). Approximately 70,000 to 80,000

handgun licenses are issued each year.

The impact over time would depend upon the number of individuals who choose not to attend handgun safety courses in order to obtain a license. Licensing fees are deposited into the State General Fund.

*Handgun Limit-* The bill provides for a Class A misdemeanor. If additional court cases occur and fines are collected, revenue to both the Common School Fund and the state General Fund would increase. The maximum fine for a Class A misdemeanor is \$5,000. Criminal fines are deposited in the Common School Fund. If the case is filed in a circuit, superior, or county court, 70% of the \$120 court fee that is assessed and collected when a guilty verdict is entered would be deposited in the state General Fund. If the case is filed in a city or town court, 55% of the fee would be deposited in the state General Fund.

**Explanation of Local Expenditures:** *Handgun Limit-* A Class A misdemeanor is punishable by up to one year in jail. The average daily cost to incarcerate a prisoner in a county jail is approximately \$44.

**Explanation of Local Revenues:** *Handgun Safety-* This bill may decrease the number of licenses issued, each of which requires a local \$10 application fee. License revenue may be deposited into the law enforcement agency's Firearms Training Fund or other appropriate training activities funds. The specific impact of this bill would vary by law enforcement agency, and would depend upon local activity.

*Handgun Limit-* If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from the following sources: (1) The county general fund would receive 27% of the \$120 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. (2) A \$3 fee would be assessed and, if collected, would be deposited into the county law enforcement continuing education fund. (3) A \$2 jury fee is assessed and, if collected, would be deposited into the county user fee fund to supplement the compensation of jury members.

**State Agencies Affected:** Indiana State Police.

**Local Agencies Affected:** Law Enforcement Agencies and Trial courts.

**Information Sources:** Steve Hillman, Indiana State Police, (317) 232-8204.